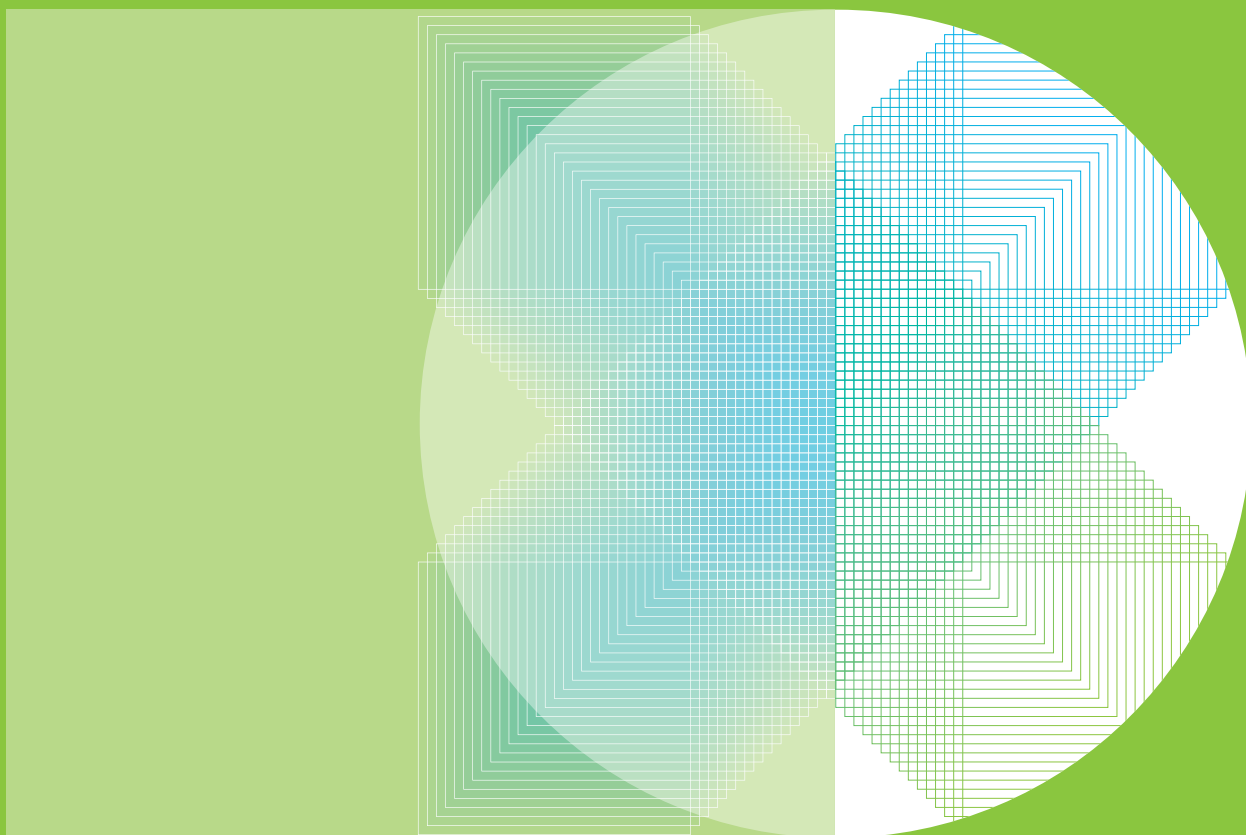


# Ireland's National IP Protocol Made Simple

Essentials for working with the Irish Research Base



## Introduction

Ireland's research and innovation strategy actively promotes close working relationships between industry and the public research system. It aims to provide a world-leading environment in which industry – both local and international – enthusiastically uses Irish public research for discovery and innovation.

The national IP Protocol sets out the Irish Government's policies to encourage industry to benefit from publicly-funded research and describes the practical arrangements for this to happen. This Protocol "*Inspiring Partnership – national IP Protocol 2016*" is produced by Knowledge Transfer Ireland on behalf of the Department of Jobs Enterprise and Innovation. It updates the original, which was published in 2012, and reflects the State's commitment to ensuring that the knowledge transfer system continues to be agile and relevant. It is the product of an extensive process of consultation with people working at the industry-research interface.

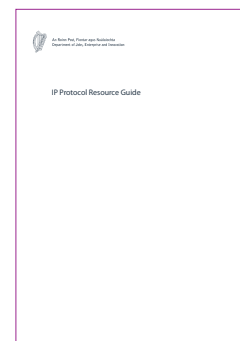
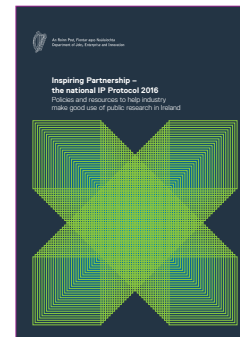
Since the formation of Knowledge Transfer Ireland (KTI), as mandated in the first Protocol, industry now has a range of resources at its disposal to make the process of engagement with State-funded research clear and swift.

The focus of the Protocol is primarily Collaborative Research: where industry and research performing organisations (Universities, Institutes of Technology and State-funded research organisations – together referred to as research performing organisations or RPOs) work together on a programme of research, often called a project. Industry and the State may share the cost of the research or it may be fully funded by the company. The Protocol also deals with how industry accesses the results of research that is funded entirely by the State.

The Protocol comprises two volumes:

1. The Policy document which includes the framework underpinning research collaboration and access to intellectual property from state-funded research.
2. The Resource Guide which includes the national IP management guidelines and links to the wealth of resources such as Model Agreements, Practical Guides and pro-forma templates that underpin the Protocol and which can be used as a starting point for drafting and negotiating the relevant industry-RPO contracts.

The IP Protocol Policy and Resource Guide are available on the KTI website [www.knowledgetransferireland.com](http://www.knowledgetransferireland.com) along with all the supporting documents and tools that are referenced throughout each document.



## The Policy Document

The State's objectives for the commercialisation of publicly funded research include:

- Maximising the economic and societal benefits and returns to Ireland from its public investment in research by commercialising the results and intellectual property arising from State funding.
- Taking the opportunity to commercialise IP that arises from State funding in all possible Fields, applications and Territories where it is consistent with achieving Ireland's objectives.
- Enabling all enterprises – from start-ups and small and medium enterprises (SMEs) to multi-national corporations – to access and exploit IP quickly, on terms that provide fair value to all parties and in ways that are predictable and consistent from one negotiation to the next.
- Ensuring RPOs have published policies and procedures in place that enable them – to the extent that is reasonable – to give industry an acceptable and consistent level of confidence around the management of IP arising from their research.
- That Higher Education Institutes and State Funded Research Organisations (Research Performing Organisations, RPOs) benefit from commercialisation and provide incentives to the researchers involved in creating IP.

**For further policy objectives see Chapter 1 of “Inspiring Partnership – the national IP Protocol 2016.”**

## The IP Protocol Resource Guide

The Resource Guide was produced as a supporting document to:

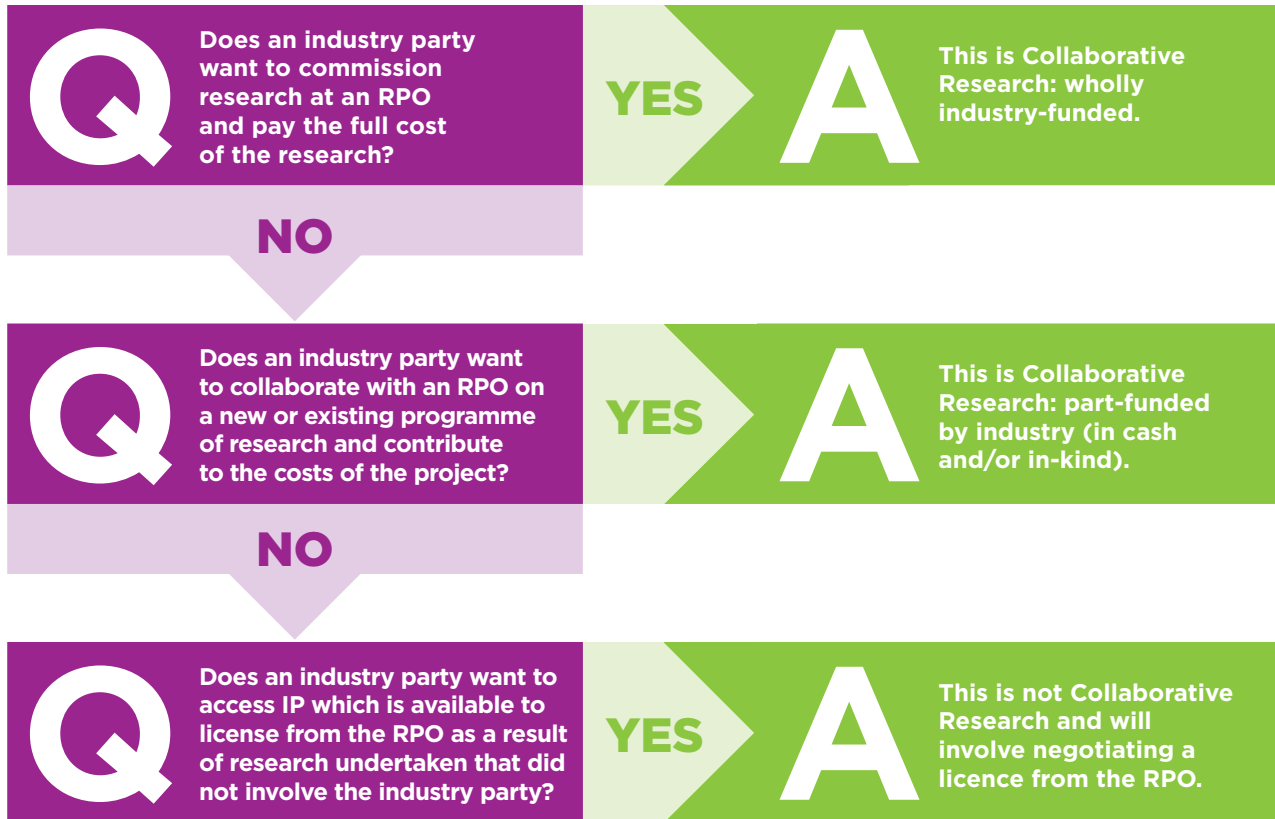
- Provide an overview of the knowledge transfer system in Ireland.
- Detail the national IP management requirements.
- Provide access to and information on the practical tools and supports available to help with the process of preparing to engage in publically funding research and the process of contracting between industry and publically funded research system in Ireland.

The Resource Guide is available on the KTI website [www.knowledgetransferireland.com/managingIP](http://www.knowledgetransferireland.com/managingIP) and is updated by KTI as documents and templates are developed.



## Funding and access to IP in collaborative research

The funding contribution from industry will determine the type of collaboration and the rights that flow from this.



## Access rights that can be expected in collaborative research

Simply put, the more an industry party contributes to the research project the greater the rights it is entitled to receive.



## Access to IP arising in collaborative research part-funded by industry

This is where an industry party partially funds and works with an RPO on a project of mutual interest. There will be an element of State research funding to meet part of the cost of the project and the industry partner will be providing a proportion of funding in cash and/or in kind, including participation in the research itself.

The industry party shall be entitled to negotiate and conclude a licence to Foreground IP created in the project on fair commercial terms. The grant of licences is subject to the industry party making at least the minimum contribution to the cost of the research. The minimum contribution will be set by the State research funder for the particular State funding programme. The most suitable IP access route and outline terms should be agreed before the project begins and specified in the Collaborative Research Agreement.

Access routes include an option to negotiate a licence to Foreground IP as it arises. This may be on an exclusive or non-exclusive basis and in specific Fields and Territories. It may be possible to negotiate the scope of a non-exclusive royalty-free (NERF) licence to Foreground IP before the project starts as part of the collaborative agreement, in which case the non-exclusive royalty free licence(s) will be executed on completion of the project. The contribution made by the industry party will be taken into consideration in determining licence terms.

The industry party may also be able to take assignment of certain arising IP (called Non-Severable Improvements) that is directly linked to the industry partner's important pre-existing IP that it brings into the project (which is called Significant Background IP). What constitutes Significant Background IP will be agreed upfront by the parties. The majority of IP introduced into a project (by either party) is not expected to fall into this category.

Joint ownership of Foreground IP should be avoided as it involves complex management arrangements.

**Further information can be found in Chapter 2 Section C of the Protocol.**



## Access to IP arising in Collaborative Research wholly funded by industry

The industry party will have the ability to take assignment of IP arising in the project (called Foreground IP). In certain circumstances, however, alternative access routes may be sufficient to meet the industry party's needs and may provide a more suitable approach. For example, an exclusive licence or a non-exclusive royalty free (NERF) licence. This access will be explored when the contracts are initially discussed.

Given that the nature and purpose of the RPO is to teach and facilitate research, the RPO will have the option to negotiate access to the Foreground IP for those purposes. The industry party shall give due consideration to any request in this regard.

**Further information can be found in Chapter 2 Section B of the Protocol.**

## Access to Background IP used in a Collaborative Research Project

Either party may bring existing IP for use in a Collaborative Research Project. This is called Background IP. The party introducing its Background IP should grant to the other party a non-exclusive royalty-free (NERF) licence to use that Background IP to carry out the research project.

In some cases Background IP introduced by the RPO may be required for the commercialisation of Foreground IP by the industry party. The RPO will confirm at the start, in the Collaborative Research agreement, whether its Background IP will be available for use by an industry party after the end of the project. If so, the industry party shall have a right to negotiate a non-exclusive licence, on fair commercial terms, to this Background IP for the purpose of commercialising the Foreground IP.



## Access to IP from research that is wholly funded by the State

There is an abundance of IP available to license from RPOs in addition to that generated from Collaborative Research. The RPO may grant a licence(s) to any IP arising from wholly State-funded research on fair commercial terms on an exclusive or non-exclusive basis. In exceptional circumstances, an RPO may agree to transfer or assign ownership of its IP, subject to compliance with EU State Aid obligations and to the assignment being consistent with the policy objectives of the national IP Protocol.

**More information can be found in Chapter 2 Section A of the Protocol.**

Details of IP available for licensing from all of Ireland's research organisations can be found at [www.knowledgetransferireland.com/Find-a-Research-Partner/Browse-Licensing-Opportunities/](http://www.knowledgetransferireland.com/Find-a-Research-Partner/Browse-Licensing-Opportunities/)

## State Aid implications

Collaborative Research Projects involving an industry party and an RPO in which IP is transferred (by licence or assignment) to the industry party must adhere to European State Aid legislation. In the context of Collaborative Research in Ireland, State Aid may be deemed as given indirectly to a company by the Irish government where, for example:

- It does not pay the full cost of Collaborative Research carried out on its behalf by a publicly funded RPO; or
- It collaborates on a research project with a publicly funded RPO, and it acquires a commercial benefit in a way that isn't permitted by the State Aid rules.

Full details on State Aid policy in Europe can be found at [http://ec.europa.eu/competition/state\\_aid/overview/index\\_en.html](http://ec.europa.eu/competition/state_aid/overview/index_en.html)

State Aid as it applies to Research and Development and Innovation R&D&I, is addressed in detail in the European Commission Communication "Framework for State Aid for research and development and innovation," (C(2014)3282) and can be found at [http://ec.europa.eu/competition/state\\_aid/modernisation/rdi\\_framework\\_en.pdf](http://ec.europa.eu/competition/state_aid/modernisation/rdi_framework_en.pdf)





## Collaborative Research Agreements

A Collaborative Research Agreement is a contract which governs the terms under which the research project will be conducted. It is good practice and the Protocol requires that the Collaborative Research Agreement is negotiated and signed by both parties prior to the work commencing. It should include the terms and conditions that relate to:

- Details of the research to be undertaken and who will carry it out – the Programme Plan.
- Mechanisms for the identification and protection of IP developed during the project.
- Management of IP, including payment of associated costs.
- Licensing and/or assignment of IP arising in performance of the project, often called Foreground IP.
- Licensing of pre-existing IP introduced into the collaboration and owned or licensed by the RPO and/or the industry party, usually called Background IP.
- Publication of research results.

## KTI Model Agreements

KTI has produced a number of Model Agreements that simplify and speed up the process of negotiation between industry and RPOs.

The KTI Practical Guide to Model Collaborative Research Agreements sets out the issues to consider when entering into a research collaboration. It contains annotated Model Agreements with drafting notes that help to explain various clauses in the contracts. The type of agreement to be used in a given situation will depend on what each party is putting in to the collaboration and what each wants to get out of the project.

The Model Agreements are available to download in Word format from the KTI website [www.knowledgetransferireland.com/model-agreements](http://www.knowledgetransferireland.com/model-agreements) and can be used direct or as a starting point for drafting and negotiation.

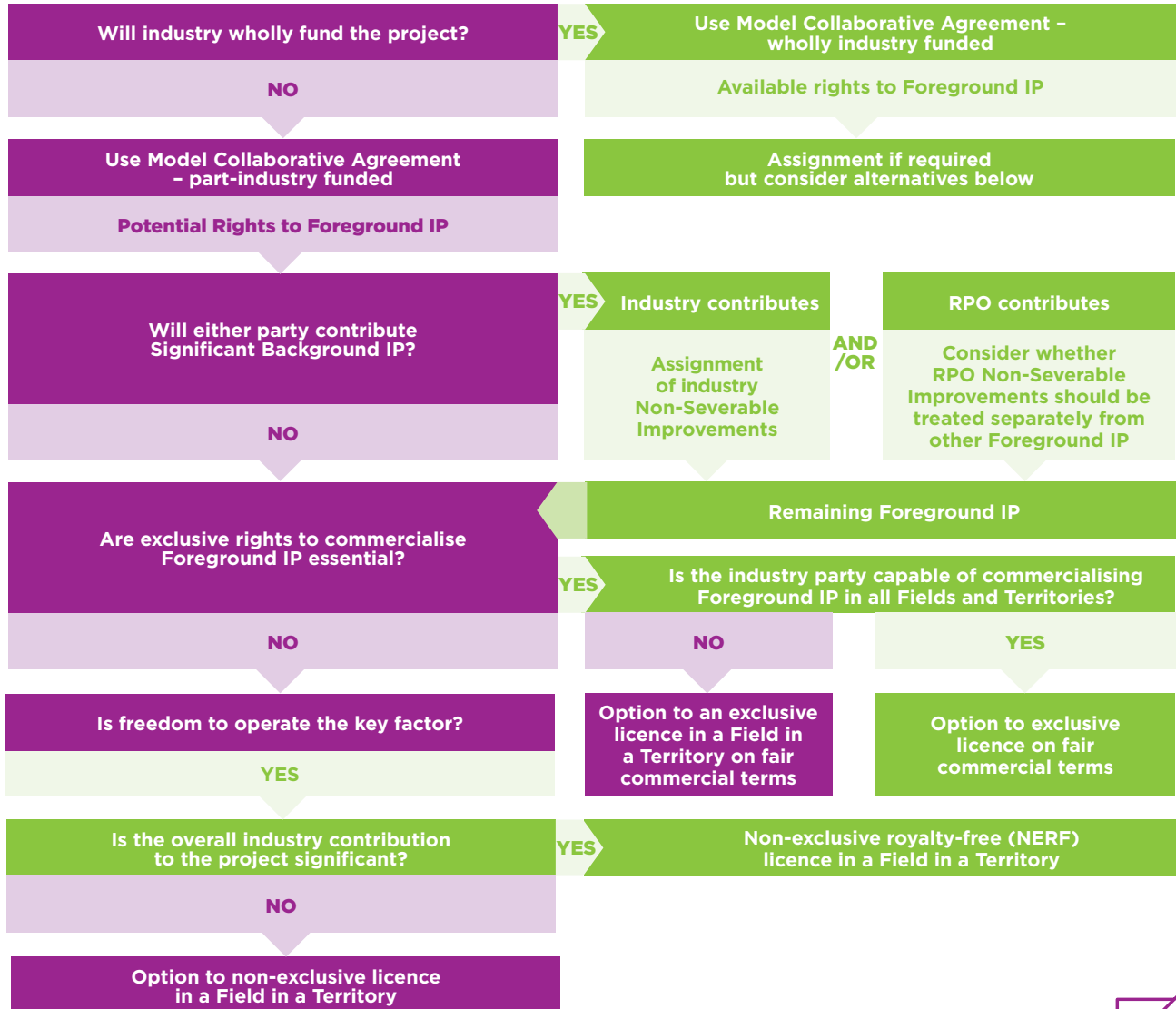
The KTI Practical Guide to Licence Agreements and the accompanying suite of Model Licence Agreements are a useful resource when licensing Foreground IP.

The following Decision Guide helps in choosing the right Collaborative Research Agreement to use. It also outlines the associated rights to IP that will apply under each agreement. This Decision Guide assumes that industry is paying all or part of the costs of the research project. Rights to IP arising in the project (Foreground IP) will be described in the collaboration agreement.



# Choosing the appropriate Collaborative Research Agreement and IP rights

## Decision guide to choosing the appropriate collaborative agreement and IP rights



## General principles in IP licensing

- IP licences granted by RPOs shall be for defined purposes, Fields, duration and Territories and on fair commercial terms.
- The RPO shall retain the right to use licensed or assigned IP in all Fields or applications for internal research and teaching purposes. Where an exclusive licence has been granted to an industry party for defined Fields or applications, the RPO shall retain the right to commercialise the IP and to use it for Collaborative Research in all other Fields or applications. Where a non-exclusive licence has been granted, the RPO shall retain the right to commercialise the IP and to use it for Collaborative Research in all Fields and applications.
- The licensee shall assume any liability which may arise from use, commercialisation and translation into products of any IP it licenses from an RPO and shall indemnify the RPO against any such liability.
- In view of the open and academic nature of RPOs, they should not offer warranties or representations or assume liabilities concerning IP management or protection. An organisation contemplating the commercialisation of IP provided by an RPO should itself take whatever steps it considers necessary to satisfy itself as to the condition or level of protection of the IP.
- IP rights in know-how, research tools and technologies owned by the RPO should normally not be assigned or licensed exclusively as this may preclude the RPO from undertaking further teaching, research or commercialisation.
- For IP licensed from a research collaboration, the costs of applying for a patent or other protection for Foreground IP owned by an RPO should be met by that RPO up to the grant of any licence relating to that IP. When an exclusive IP licence is granted, the licensee should meet all subsequent patent costs or other IP protection costs from the grant of the licence. Reimbursement of prior patent costs may be included in the licence fee. The RPO should agree the strategy for patenting and other registrable IP with any licensees or other parties who have exclusive rights or options to negotiate exclusive licences with the RPO.
- While an RPO will not normally consider assigning ownership of its IP, it may in exceptional circumstances, once IP has been created, agree to transfer or assign ownership of the IP, provided that it: satisfies itself that the industry party will commercialise the assigned IP for the benefit of Ireland; receives fair value in return and is able to continue its non-commercial research and teaching in all Fields and to use the assigned IP for those research and teaching purposes.

**More information on licensing can be found in Chapter 2 Section D of the Protocol.**



## The national IP management requirements

The national IP management requirements are designed to ensure consistency in practice across RPOs. This, in turn, is aimed at building confidence among industry and State research funding organisations that Ireland's Research Performing Organisations manage research, their related contracts and intellectual property (IP) rights in a fully professional manner. The requirements are defined and will be updated from time to time by Knowledge Transfer Ireland (KTI) which works with the Technology Transfer Offices (TTOs) within the RPOs to help implement them.

There are nine national IP management requirements which each RPO must fulfil in designing and operating its own internal IP management system:

1. Ensure early awareness amongst researchers of the importance of IP management.
2. Set obligations on individual researchers to ensure IP is managed in a professional way.
3. Maintain confidentiality before publication of research and confidentiality of IP provided by and to others.
4. Protect IP arising from research projects/programmes.
5. Introduce existing Background IP into a research project/programme diligently.
6. Conduct appropriate due diligence before licensing IP.
7. Maintain records of IP and licences.
8. Manage actual and potential conflicts of interest.
9. Implement systems for the sharing of income from the commercialisation of IP within the RPO.

Sample template documents to support these national standards for use by each RPO in its internal IP management system are available on the KTI website at [www.knowledgetransferireland.com/Model-Agreements/](http://www.knowledgetransferireland.com/Model-Agreements/)



## Knowledge transfer system in Ireland

Ireland benefits from a nationally integrated knowledge transfer (KT) system which supports and stimulates industry-RPO engagement, the creation of new companies and the commercialisation of the outputs of research that reinforces Ireland's reputation as a great place for industry to do business. The aims of this national system are:

- simple and easy accessibility for industry and entrepreneurs.
- flexibility and responsiveness.
- an interface between industry and the research community.
- high standards and performance.
- sound governance.

## Resources and supports

There is a range of resources managed and maintained by KTI to support industry-RPO engagement include:

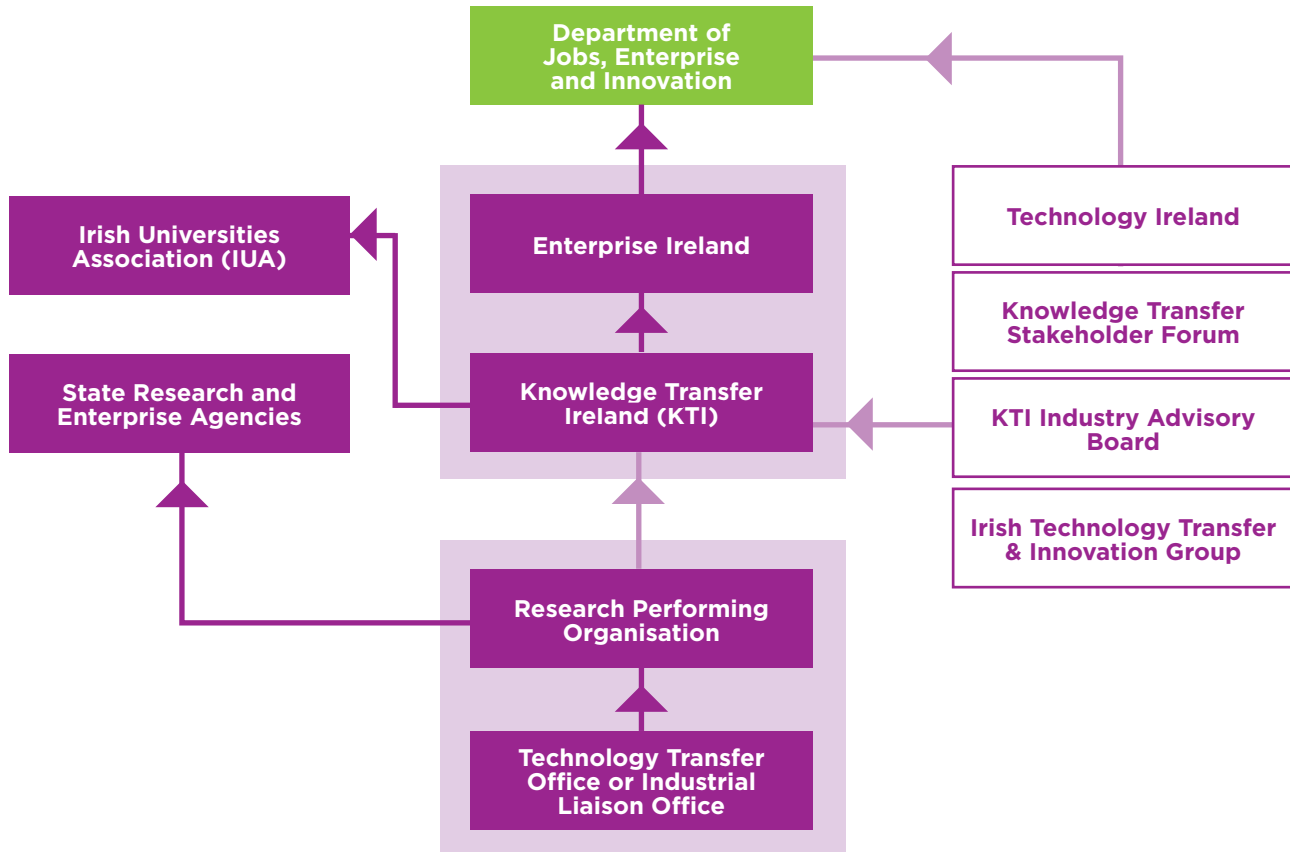
- A suite of Practical Guides that explain various contracts and what to think about when drafting and negotiating a research agreement.
- Guidance on the area of IP and confidentiality.
- A collection of template Model Agreements available for download and use in the process of collaboration.
- Searchable databases including: research expertise; licensing opportunities; directory of RPOs and; contact details for key people in the KT system.

Knowledge Transfer Ireland also hosts a number of third party publications, sources of useful information and reference documents in relation to research commercialisation. These include the national Directory of Innovation Supports, Research Centres and Technology Centres which provides an overview of the research, development and innovation funding and supports available to industry from State bodies in Ireland.

These resources and supports can be found at **[www.knowledgetransferireland.com](http://www.knowledgetransferireland.com)**



## Ireland's knowledge transfer system



Government Department
  State-funded Organisations
  KT Interest Groups

Management or accountability arrangement
  Advisory or supporting arrangement

The KTI website provides detailed information on the KT system, including a searchable contacts database of researchers and research centres in Ireland.  
[www.knowledgetransferireland.com](http://www.knowledgetransferireland.com)



## Summary of terms

<b>Background IP</b>	Any Intellectual Property, including in any Material (see below) that is brought into a project for use during the project.
<b>Collaborative Research: part industry-funded</b>	Collaborative Research in which the project is funded partly by the State and partly (in cash and/or in kind, including participation in the research itself) by the industry party (parties).
<b>Collaborative Research: wholly industry-funded</b>	Collaborative Research in which the Industry Party meets the full cost of carrying out the project.
<b>Commercialisation</b>	The use of IP to create, conduct or develop a commercial activity. This may involve exclusive or non-exclusive licensing or assignment of the IP, may lead to new company formation or the introduction of new or improved products or services
<b>Field</b>	Field of use/area of application
<b>Foreground IP</b>	IP which comes into existence in the course of performance of a project.
<b>Intellectual Property or IP</b>	Patents, trademarks, service marks, registered designs, drawings, utility models, design rights, business ideas, concepts, inventions, discoveries, breeders' rights, copyright (including the copyright in software in any code), database rights, know-how, trade secrets and other confidential information, technology, business or trade names, goodwill and all other rights of a similar or corresponding nature in any part of the world, whether registered or not or capable of registration or not, and including all applications and the right to apply for any of the foregoing rights
<b>Knowledge Transfer Ireland (KTI)</b>	The central office responsible for the knowledge transfer (KT)/technology transfer (TT) system in Ireland.
<b>Materials</b>	Any and all works of authorship and materials, including, without limitation, data, any functional, technical and/or performance specification, devices, machinery, samples, products, sensors and data derived therefrom, biological materials, software programs, any other inanimate or animate matter, any and all reports, studies, data, diagrams, drawings, charts, specifications, and such other materials in whatever medium (including without limitation, written or printed, electronic or otherwise, computer discs, floppy discs, CDs, diskettes, tapes or other formats).
<b>Model Agreements</b>	A set of template agreements maintained by KTI, and updated from time to time, which can be found at <a href="http://www.knowledgetransferireland.com/Model-Agreements">www.knowledgetransferireland.com/Model-Agreements</a>

<b>Non-exclusive royalty-free (NERF) licence</b>	A licence to use IP under which the licensee is not required to pay any amounts (whether initial recurring royalties or milestone payments). Except that the licensee may be required to pay some or all of any costs for prosecution, maintenance and defence of any patent or similar granted IP rights.
<b>Non-Severable Improvement</b>	IP that, at a minimum: Was created using Significant Background introduced to the project and; Cannot be used or commercialised without infringing on the Significant Background.
<b>Project</b>	A set of agreed research activities. Sometimes called a research programme.
<b>Programme Plan</b>	A description of the research work to be undertaken during the project and who will carry it out.
<b>Publication</b>	The publication of research results or of any part of IP resultant from any project, in any public format.
<b>Research Performing Organisation or RPO</b>	Any organisation that performs research funded at least in part by the State; the term includes universities, institutes of technology, Teagasc, NIBRT, clinical research facilities or translational medicine facilities based at hospitals and other publicly funded research institutions.
<b>Significant Background</b>	Background IP introduced to a project where: The Background IP is the subject of a granted patent, and/or; The project substantially relies on this Background IP and without it the project would be difficult or impossible to carry out.
<b>State research funding organisations</b>	Organisations which distribute funding provided by the State to RPOs, including but not limited to the Higher Education Authority (HEA), Irish Research Council (IRC), Science Foundation Ireland (SFI), Enterprise Ireland (EI), IDA Ireland and other government funding agencies.
<b>Technology Transfer Office or TTO</b>	A team within an RPO which leads the work of identifying and commercialising IP arising from research by that RPO. This includes negotiation and concluding agreements with industry parties.
<b>Wholly State-funded research</b>	Research for which a State research funding organisation has paid 100% of the economic costs of the research.





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